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5.7 Deputy M.B. Andrews of St. Helier North of the Minister for Sustainable Economic Development regarding the economic impact of lowering the minimum wage (OQ.63/2026).

Further to the Minister's letter regarding the minimum wage in Jersey, published in the *Jersey Evening Post* on 17th August 2026, will he advise whether he has instructed his department to investigate the economic impact of lowering the minimum wage and what policy discussions, if any, he has had with the Minister for Social Security about this issue?

Deputy F.G. Voisin of St. Helier North (The Minister for Sustainable Economic Development):

I have not instructed my department to investigate the economic impacts of lowering the minimum wage or of abolishing it. For the avoidance of doubt, the abolition of the minimum wage is not something that is being, or has been, considered. The Minister for Social Security and I met on 20th July to discuss the minimum wage and cost of living. We noted the economic analysis which had been undertaken, including the economic assessment presented to our predecessors ahead of recent increases in the minimum wage, and discussed my concerns about how the minimum wage was impacting some industry sectors.

5.7.1 Deputy M.B. Andrews:

In his letter to the *J.E.P. (Jersey Evening Post)* the Minister made it quite clear that the minimum wage was strangling the economy, and so if this is the case, is the Minister potentially going to consider lowering the minimum wage and, as he said, so people could get more jobs?

Deputy F.G. Voisin:

Our meeting with the Minister for Social Security concluded that it was right to allow the Employment Forum to continue and complete its work before recommending a minimum wage, and my comments were based around economic indicators that had been produced by the Statistics Unit and are available for all Members to read.

5.7.2 Deputy T.A. Coles of St. Helier South:

Does the Minister accept that a balanced economy allows people to spend money across the range of services in the Island and allowing people to have money to spend on these services boosts our economy?

Deputy F.G. Voisin:

Yes, that is fine to a point, but when increasing the minimum wage makes our businesses uncompetitive then it ends up damaging our economy. I think that what I would like Members to take away from ... if we are going to take one thing away today, please can it be that Jersey is suffering from the unravelling of globalisation.

[10:45]

Most prominently, this can be seen by Brexit, which occurred a few years ago now, and we have now got trade wars emerging around the world. We have got 2 world wars going on, and what this is doing is it is stopping the free movement of labour, it is stopping the free movement of capital and goods, and it is basically pushing up prices. It is pushing up the cost - all costs of business - in Jersey and also in other economies. These are structural problems that we have. The problem is that we cannot apply a cyclical solution, i.e. putting up the minimum wage, to address a structural solution. All we will end up doing is making our businesses uncompetitive. This is already happening in our visitor economy and what worries me is that it is going to happen in other parts of our economy as well. We have got to make sure that we maintain our economy as a competitive economy, and what I think everybody in this Assembly wants to do, is to see people have a better standard of living. The question is: are we going to do that just by putting up the minimum wage? That puts up inflation, so the money does not actually stay in people's pockets, it just flows out through increased food prices and increased rentals.

So, really, we need to look at other structural solutions to address our structural problem so that more money will stay in people's pockets.

5.7.3 Deputy T.A. Coles:

I am just trying to digest everything that the Minister said there. I thought they were limited to 90 seconds in an answer, that felt longer. Though I agree with the Minister in that structural change is necessary, one of the biggest challenges the Island faces is recruitment and retention. By not allowing significant wages to be paid to people doing some of the most, what are considered, unskilled but essential work in our Island, are we not going to hamstring other sections of our economy by not being able to provide them other services?

Deputy F.G. Voisin:

This comes back to the point that I was making about the free movement of labour has been interrupted. We used to get a lot of labour in Jersey from Europe, eastern Europe in particular, and that labour is no longer available So the market is working inasmuch as where people have got to pay people more money to attract them, then those businesses, those services, are attracting those people, and the issue really is about Government taking a step back and allowing the free market to work but also making sure that there is a safety net for people so that we do not see that people are being abused through very low wages.

5.7.4 Deputy K.M. Wilson of St. Clement:

The Minister has also said he will not pursue abolition. Is it still the case that the Minister is personally opposed to a statutory minimum wage despite being a Minister in a Government which has explicitly said it will not abolish it?

Deputy F.G. Voisin:

No, I am absolutely not opposed to a minimum wage. Not at all. But, yes, that is the answer. No, I am not. Definitely not.

5.7.5 Deputy K.M. Wilson:

Does he believe therefore that the current minimum wage of £13.59 is too high, and if so, what rate does he believe would be appropriate?

Deputy F.G. Voisin:

I have seen evidence that the minimum wage at £13.59 is too high for some sectors of our economy, and I have been told this by the Chief Executive of Jersey Business, who has seen the accounts of a number of businesses that are struggling. That is why I am particularly keen that we need to do something to help these businesses, because they need to regain their competitiveness.

5.7.6 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

The Minister talked about tackling some structural issues, so could the Minister give some examples of what those structural issues he would like to tackle going forward?

Deputy F.G. Voisin:

Well, fuel prices have gone up significantly and I understand that the cost of a barrel of oil is going up to nearly 100 dollars a barrel, so that is not going to come down anytime soon. This feeds right the way through into our food prices, and generally the cost of things in Jersey are not going to come down. The question is can we try and bear down on the cost of inflation, on the rate of inflation, so that our increases are less?

5.7.7 Deputy H.L. Jeune:

Could the Minister explain how he sees going about to do that, that bearing down?

Deputy F.G. Voisin:

Bearing down on the cost of living?

Deputy H.L. Jeune:

On the inflation that he was just talking about.

Deputy F.G. Voisin:

It is a question of making sure that every decision that is made by the States is cognisant of the effect that it has on inflation. To give you an example that has been given to me by the Economic Adviser, the increase in the minimum wage in 2025 accounted for inflation of 1.4 per cent. When you compare that to the overall rate of inflation of 3.7 per cent for R.P.I.X. (Retail Price Index excluding mortgage interest), so that is excluding the cost of housing in it, it means that the cost of living ... sorry, the minimum wage generated inflation was nearly about one-third of the overall inflation for that year. That is the sort of thing that we need to be cognisant about when we make these decisions in future.

5.7.8 Deputy M.B. Andrews:

The Minister mentioned that some industries are struggling with the current minimum wage rate. So, is the Minister potentially going to consider, alongside the Minister for Social Security, the setting of different rates across different industries?

Deputy F.G. Voisin:

As I said earlier on, I think it is for the Employment Forum to come up with its recommendations. The Forum has received the opinion and the report of the Economic Adviser, and I think we need to see what it comes up with.